

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 EB-11 IGA-02 CIAE-00 COME-00

FRB-03 INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-03 LAB-06 SIL-01 OMB-01 DRC-01 /103 W

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P 102201Z SEP 74

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 1766

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E.O. 11652: N/A

TAGS: EAID, PFOR, PN,US

SUBJECT: REVIEW OF AID LOAN PIPELINE

REF STATE 196281

1. SUMMARY. REFTEL INDICATES \$4.1 MILLION AID LOAN FOR TOURIST CONVENTION CENTER MAY BE DEOBLIGATED,PRESUMABLY BECAUSE DISBURSEMENTS HAVE BEEN SUSPENDED SINCE THE BEGINNING OF 1973, AND THAT THIS QUOTE WILL BE REFERRED TO DUPUTY ADMINISTRATOR FOR DECISION UNQUOTE. WHILE REFTEL DID NOT SEEK ANY FIELD COMMENT ON THIS, I URGE DEPARTMENT TO BE SURE THAT AID DEPUTY ADMINISTRATOR UNDERSTANDS FOLLOWING BACKGROUND BECAUSE IN MY JUDGEMENT DEOBLIGATION OF AID LOAN AT PRESENT ADVANCED STAGE OF PROJECT WOULD BE INTERPRETED BY GOP AS AN UNFRIENDLY SIGNAL AND COULD PRODUCE AN ADVERSE EFFECT ON CANAL ZONE TREATY NEGOTIATIONS.

2. BACKGROUND. WHILE LOAN DISBURSEMENTS HAVE BEEN SUSPENDED SINCE EARLY 1973, BORROWER HAS ACTED DILIGENTLY AND IN GOOD FAITH TO CARRY PROJECT FORWARD. IN 1973 BORROWER PREPARED AND OBTAINED AID/W APPROVAL OF REVISED PROJECT JUSTIFICATION. IN 1974 BORROWER HAS PROCEEDED TO ACQUIRE TITLE TO PROJECT SITE THROUGH NEGOTIATIONS RATHER THAN BY EMINENT DOMAIN AND HAS ALSO HAD AID-APPROVED A&E FIRM PREPARE ENGINEERING DESIGN OF REVISED PROJECT. IN FACT AT AID/W'S SUGGESTION THE BORROWER WAS INFORMED OFFICIALLY THAT PRO-

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JECT COSTS INCURRED IN 1974 WOULD BE ELIGIBLE FOR REIMBURSEMENT

FROM THE AID LOAN AS SOON AS BORROWER ACQUIRED FULL TITLE TO ALL THE PARCELS OF LAND COMPRISING THE PROJECT SITE.

3. IN AUGUST THE GENERAL DESIGN PLANS FOR THE PROJECT WERE REVIEWED AND APPROVED BY THE U.S. DESIGN CONSULTANT AND WORK COMMENCED ON THE DETAILED DRAWINGS REQUIRED FOR COMPETITIVE BIDDING. BORROWER IS WORKING WITH USAID ON A SYNOPSIS OF THE CONSTRUCTION PROJECT FOR PUBLICATION IN THE COMMERCE BUSINESS DAILY IN SEPTEMBER TO REQUEST QUALIFYING DATA FROM U.S. CONSTRUCTION FIRMS. BORROWER PLANS ISSUE IFB FOR FOUNDATION WORK IN NOVEMBER IN ORDER TO COMPLETE THAT IN DRY SEASON. IFB FOR SUPERSTRUCTURE WILL BE ISSUED IN FIRST QUARTER 1975 IN TIME TO START THAT CONSTRUCTION AS FOUNDATIONS FINISHED.

4. PLANNING MINISTRY NOW ARRANGING NON-AID FINANCING OF \$1.5 MILLION TO COMPLETE SITE TITLE ACQUISITION IN OCTOBER.

5. USAID CABLE FOLLOWS ON QUESTIONS SPECIFIED IN REFTEL.  
DECON 9/10/75.  
JORDEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TOURISM, LOANS, PROGRAMS (PROJECTS)  
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**Copy:** SINGLE  
**Draft Date:** 10 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** kelleyw0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Reference:** STATE 196281  
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**Review Authority:** kelleyw0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 SEP 2002  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** REVIEW OF AID LOAN PIPELINE  
**TAGS:** EAID, PFOR, PN, US  
**To:** STATE  
**Type:** TE  
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